

REQUEST FOR PROPOSALS
for a
Comprehensive Fiscal Analysis

Placer Local Agency Formation Commission (LAFCO) is soliciting proposals from qualified Consultants to perform a Comprehensive Fiscal Analysis (CFA) of the proposed Incorporation of the Town of Olympic Valley.

REQUEST FOR PROPOSALS
Olympic Valley Incorporation
Comprehensive Fiscal Analysis

1. Objective:

The Placer Local Agency Formation Commission (LAFCO) is seeking proposals from professional service firms to prepare a Comprehensive Fiscal Analysis (CFA) for the proposed incorporation of Olympic Valley. LAFCO has received and certified a petition requesting incorporation of the community. In accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) regarding incorporations, a CFA must be prepared in order to determine 1) whether or not the proposed city is fiscally viable and 2) the fiscal impacts to Placer County and other affected agencies, including a determination of the status of revenue neutrality. The CFA must serve as both a technical document for the Commission's, County's and proponent's evaluation of the proposed incorporation and as a resource available to the public to understand the nature and effects of the proposal.

2. Background:

Olympic Valley (also known as Squaw Valley) is an unincorporated community located west of Highway 89, North of Lake Tahoe. Olympic Valley is a community of approximately 1000 year round residents. However, transient seasonal population and daily visitor population peaks during winter holiday periods to between 20,000 – 25,000.

Olympic Valley, site of the 1960 Olympics, is a valley surrounded primarily by U.S. Forest Service property. The area has a variety of uses from single family residential, condominium/mixed use development, Commercial, Hotel and Resort; recreational and ski facilities.

The area proposed for incorporation consists of approximately 15 square miles. The boundary of the proposed Town is coterminous with the boundaries of the Squaw Valley Public Service District, which provides water, sewer collection and fire services.

3. Proposed Plan of Services:

Currently the community receives services from the Placer County (community development, public works, law enforcement, animal services, snow removal, parks and recreation, etc) and from two special districts (water, fire, wastewater collection and treatment). A list of all service providers, current and proposed is included as Appendix E of the proponent's application (Attached as Exhibit 1). The successful applicant will be required to identify and include all community services to be provided to the territory within the proposed city and the agency responsible for providing such service.

PROJECT DESCRIPTION

In accordance with Government Code §56800, a CFA must be prepared prior to LAFCO's consideration of an incorporation proposal. The CFA must conform to the requirements in the Cortese-Knox-Hertzberg Act (CKH) Act and be consistent with the incorporation guidelines prepared by the State Office of Planning and Research.

The CFA will determine whether the proposed city is economically feasible, the estimated costs associated with providing services to the new city, the estimated revenues, and the impacts of these costs and revenues on other affected agencies. The final report will be the subject of LAFCO review and public hearings and will form the basis for fiscal determinations and findings related to the proposed incorporation. The CFA will become the property of LAFCO.

Scope of Services

LAFCO is the client for the requested services and desires the consultant to prepare an independent and impartial CFA for the proposed incorporation of Olympic Valley based on all available information. The final report will become the property of LAFCO and is subject to LAFCO's review and comments. The analysis will be prepared in a manner consistent with state law, the current draft of the Office of Planning and Research (OPR) Incorporation Guidelines and Placer LAFCO's policies regarding incorporations (attached). Unless otherwise stated in the final contract, the consultant will be responsible for all data collection and analysis, and may be asked to provide support to LAFCO staff in the presentation of the CFA results and in revenue neutrality negotiations. The base year for all revenue and cost data is Fiscal Year 2012-2013.

Under the direction of LAFCO, the consultant will develop an independent and impartial CFA for the proposed incorporation of the community of Olympic Valley, based on the most current fiscal information available. Duties include the following:

- A. Confirm proposal assumptions.
- B. Develop a written plan of services based on information provided by the proponents and affected agencies. The plan of services shall include information on existing levels of service.
- C. Establish population estimates and projections, based on available data. The proposed city is in an area with a tourist season and where the population varies by season. These factors should be included in the analysis.
- D. Establish market based land-use estimates and projections, based upon available data and reasonable market assumptions.
- E. Identify cities appropriate for cost comparison consistent with Section 56800, including at least one city with a similar peak season tourism economy, and associated revenue and service fluctuations
- F. Collect base year service and cost data of the proposed city.
- G. Collect base year revenue data of the proposed city.
- H. Collect the data and prepare the analysis required under Section 56800.
- I. Assist in responding to questions or comments submitted by the Controller under Section 56801, if necessary.
- J. Develop revenue and expenditure "budgets" for all discrete funds, i.e. General Fund, Road Fund and special district, for the base year, transition year and a minimum of eight additional subsequent years (revenues and expenditures) for the proposed budget. The "budget" should include start-up costs for the new city government. In the analysis, review how the costs of any existing services compare to the costs of services provided in cities with a similar economic base, size, and population that provide a similar level and range of services. The analysis should also include the

repayment of transition year costs to the County. Determine "pre-revenue neutrality" fiscal viability.

- K. Provide the process and methodology proposed, and determine the cost and revenue impacts on the County (or other agencies), including identification of which of the costs to be transferred to the new city would result in an administrative cost reduction to the County (or other agencies).
- L. Analyze and report the status of revenue neutrality relative to the County pursuant to Government Code Section 56815.
- M. Qualitative analysis of the impacts of the proposal on existing Mello-Roos (if any) Districts and other assessment districts within the proposed city;
- N. Inventory County assets requested to be transferred and estimate value, including the proposed process and methodology for determining each value. Determine if identified assets have remaining bonds(s), liens(s) or other debt(s) that can be assumed by, or transferred to the new city.
- O. Determine the provisional appropriations limit pursuant to Section 56812
- P. Produce a preliminary draft CFA for staff review
- Q. Based on LAFCO staff comments, prepare a Draft CFA for public review and revenue neutrality negotiations.
- R. Subject to direction from Executive Officer, produce a Final Draft CFA based on comments received and outcome of revenue neutrality negotiations.
- S. Provide presentations to the public and the Commission (minimum of one each).
- T. Any other information that is deemed to be relevant to the CFA.

The final scope of services will be based on the consultant's approach to the project and will be negotiated with the firm selected and will be included in the services agreement.

5. Proposal Requirements

- A. A statement regarding the anticipated approach for this project, explicitly discussing and identifying suggested changes and/or additional detail to the draft scope of services outlined in Section 4, subsections A through T of this RFP.
- B. A cost proposal, including:
 - i. A not-to-exceed total budget amount.
 - ii. The cost for each major sub-task identified in the draft scope of services, as presented in the proposal.
 - iii. The hourly rates for each person who will be involved in the work, including the rates for any sub-consultants.
 - iv. A separate cost proposal for participation in additional meetings (on a per meeting basis) should be provided. Additional meetings could include an additional LAFCO hearing, additional proponent or community meetings, or revenue neutrality negotiation sessions.
 - v. Costs for any additional services not necessarily included within the scope of the CFA.
- C. An overall project schedule, including the timing of major work tasks, progress or draft reports.
- D. A statement of related experience, with emphasis on recent projects, including references for each such project (including the contact name, address and telephone number). Examples of directly relevant work may be included.
- E. A statement about the firm that describes history, competencies and resumes of the principal and of all professionals who will be involved in the work. This statement should demonstrate the following:
 - i. A management level understanding of how the full range of municipal services are financed and delivered.
 - ii. An understanding of the role and functions of LAFCOs.

- iii. Experience in municipal and county fiscal analysis, preferably involving incorporations.
- iv. Experience in municipal and county organization analysis.
- v. Experience in the presentation and dissemination of public information for review and comment.
- vi. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work.
- vii. Identification of any sub-consultants who will be involved. If sub-consultants are proposed, describe the work they will perform and include the same information for each sub-consultant as required for items B and C (budget and schedule) above.
- viii. A statement regarding the availability of all the professionals who will be involved in the work, including any sub-consultants. This should include a disclosure of commitments on other major projects involving the same professionals.
- ix. Disclosure of potential conflicts of interest with local agencies in Placer County or economic interests within the incorporation area.

Budget

Consulting firms should include a detailed project budget for the scope of services. The preparation of the CFA will be managed by LAFCO and the funding will be provided by the proponents of the Olympic Valley Incorporation. Subject to negotiation of a final agreement, it is anticipated that payments will be tied to task completion increments or other milestones. Work will not be authorized beyond what the proponents have deposited with LAFCO at any given time. LAFCO will not be liable for payment beyond the balance of the proponent's deposits.

Tentative Schedule

Timing is a concern to LAFCO because of the provisions in the CKH Act relative to the time sensitivity of the fiscal data. The schedule for this project must be consistent with the overall schedule for project processing and will be negotiated with the firm selected for the work prior to reaching an agreement.

Selection Process

A selection committee will be formed to review responses to this RFP. Written proposals will be evaluated by the selection committee based on the above criteria. Oral interviews of the most qualified applicants may be conducted. LAFCO reserves the right to modify the selection process at any time.

Final selection of the consultant will be based upon the evaluation of responses in the RFP and during the interview process if required. The successful firm will enter into a contract to be awarded by LAFCO covering the scope of services, budget, and schedule.

Evaluation Criteria

If necessary, firms will be selected for further consideration and follow-up interviews based on the following criteria:

- Experience, knowledge, understanding, and qualifications
- Relevant work experience
- Completeness of the responses

- Overall project approaches identified
- Qualification of key project team members
- Reference checks
- Proposed project budget

Conflict of Interest

Proposers warrant and covenant that no official or employee of Placer LAFCO, nor any business entity in which an official of Placer LAFCO has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to Placer LAFCO. Proposers will notify LAFCO of any potential conflict of interest regarding other work or third party contracts.

Indemnification

The successful proposer shall be required to enter into an agreement to defend and indemnify Placer LAFCO, its officers, and employees against liability for injury or damage caused by a negligent act or omission of the contractor in the performance of the agreement and shall hold LAFCO harmless from any loss occasioned as a result of the performance of the agreement by the contractor.

Insurance Requirements

The successful proposer shall be required to maintain at all times during the performance of the agreement the following insurance coverage:

Commercial General Liability Insurance with a limit of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage, including contractual liability, personal injury, products and completed operations.

Business Automobile Liability for owned, non-owned, or hired automobiles with a combined single limit of not less than \$1,000,000 per occurrence.

Workers Compensation & Employers Liability Insurance

1. Workers Compensation - Statutory Limits
2. Employers Liability Insurance - with a limit of not less than \$100,000 per employee.

Additional Insured Endorsement - The policy or policies providing insurance as required above, with the exception of personal automobile liability, workers compensation, and employer's liability, shall be endorsed to include Placer LAFCO, its directors, officers, employees, and agents as Additional Insured as respects work performed pursuant to or incidental to the Agreement.

Evidence of Insurance - Before commencing any operations under the Agreement, the successful proposer shall furnish the Placer LAFCO with a Certificate of Insurance and copies of all applicable endorsements evidencing compliance with the above insurance requirements and that such insurance will not be canceled or materially changed without thirty (30) days advance written notice.

Duration of Insurance Coverage - All required insurance coverage shall be maintained during the entire term of the Agreement. Insurance coverage written on a claims-made basis shall be maintained during the entire term of the Agreement and further until at least 6 month(s) following termination and acceptance of all work under the Agreement, with the retroactive date of said insurance, concurrent with the commencement of activities pursuant to this Agreement.

Submission Requirements

DUE DATE AND TIME: Monday, April 7, 2014 at 4:00 pm

Proposals received after this date will not be considered and will not be returned.

Cost of preparation of proposals shall be borne by the proposers.

NUMBER OF COPIES: 5 original copies and one reproducible copy

DELIVER TO: Kris Berry, AICP
Executive Officer
Placer LAFCO
110 Maple Street
Auburn, CA 95603

If the delivery will be made in person, please contact the Placer LAFCO office in advance at (530) 889-4097 to insure acceptance.

LAFCO reserves the right to reject any or all proposals, to issue addenda to the RFP, to modify or cancel the RFP, to request clarification of any information that is submitted, to request additional information from competitors, and to waive any irregularity in the proposal submission and review process.

Contact Information

Please direct all inquiries regarding the RFP process or proposal submission to:

Kris Berry, AICP
Executive Officer
Placer LAFCO
110 Maple Street
Auburn, CA 95603
kberry@placer.ca.gov